



DFAS-DFM

**DEFENSE FINANCE AND ACCOUNTING SERVICE  
ARLINGTON**

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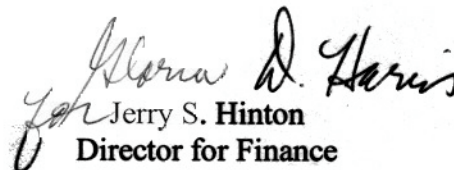
JUL 15 2003

**MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE  
FINANCE AND ACCOUNTING SERVICE (PM/CL)**

**SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Consolidation of  
Chapters 12, 13, and 16 into one chapter (DFAS Item M-10)**

This is interim change **26-03** to the Defense Financial Management Regulation (DoDFMR), Volume 7A, which consolidates Chapters 12, 13, and 16 into one chapter. This change aligns the DoDFMR so that new entitlements can be inserted at the proper area rather than at the end of the volume. The current chapters 12, 13, and 16 are hereby removed. This interim change also deletes Chapter 15 since the authority for this special pay expired in 1995. Interim change 23-03 consolidated Chapters 1, 2, 3, and 4 into one chapter (Chapter 1). Therefore, Chapters 2 and 4 are removed and this interim change replaces Chapter 3.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.

  
Jerry S. Hinton  
Director for Finance

Attachment:  
As stated

cc: OUSD(C)(ODCFO)(FP)  
DASD(MPP)(Comp)  
ODGC(F)  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
DFAS-GAM/DE  
DFAS-PMJE/DE  
DFAS-DDM/CL

**Chapter Consolidation (Chapters 1 through 4, 12, 13 and 16)**

1. Remove Chapters 1 through 4, and 12, 13, 15, and 16.
2. Insert interim change 23-03 as new Chapter 1.
3. Remove chapters 2 and 4.
4. Insert the following as new Chapter 3.

**SUMMARY OF MAJOR CHANGES TO  
DOD 7000.14-R, VOLUME 7A, CHAPTER 3  
“SPECIAL PAY – OFFICERS ONLY”**

**Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision**

<b>PARA</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>EFFECTIVE DATE</b>
	This change is a consolidation of chapters 12, 13, and 16 so that new entitlements can be inserted into the proper places rather than at the end of the Volume. This change includes interim changes through 05-03. This change also deletes Chapter 15 and removes Chapters 12, 13, and 16.	

**TABLE OF CONTENTS****0301 SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICER**

- 030101 Nuclear Power Accession Bonus Program
- 030102 Nuclear - Qualified Officer Extending Period of Active Service  
(Continuation Pay)
- 030103 Nuclear Career Annual Incentive Bonus

**0302 SPECIAL PAY FOR OFFICERS SERVING IN POSITION OF UNUSUAL  
RESPONSIBILITY AND OF A CRITICAL NATURE**

- 030201 Entitlement
- 030202 Rates payable
- 030203 Authorized Payees
- 030204 Restrictions

**0303 RESERVED****0304 ENGINEERING AND SCIENTIFIC CAREER CONTINUATION PAY (ESCCP)**

- 030401 Conditions of Entitlement
- 030402 Entitlement Amounts
- 030403 Termination and Recoupment

## CHAPTER 3

SPECIAL PAYS - OFFICERS ONLY0301 SPECIAL PAYS FOR NUCLEAR QUALIFIED OFFICERS030101. Nuclear Power Accession Bonus Program.A. Entitlement.

1. Effective October 1, 1999, individuals accepted, on or before December 31, 2003, for officer naval nuclear power training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants may be entitled to accession bonuses not to exceed a total of \$20,000.

2. The Secretary of the Navy is assigned, under law, responsibility for issuing regulations which prescribe specific eligibility requirements and, annually, the value of the bonus payments, not to exceed the limit cited above. The amounts payable to an individual under this entitlement become fixed upon acceptance, by the Secretary of the Navy, of the individual's written agreement to participate in the training program. The regulation governing this program, including effective bonus rates, is SECNAVINST 7220.65 series (reference (ac)).

3. The bonus is made of two parts, which the Secretary of the Navy has identified as follows:

a. Nuclear Officer Accession Bonus. The Nuclear Officer Accession Bonus is payable upon selection and acceptance, by the Secretary of the Navy, of the individual's written agreement for participation in officer naval nuclear power training.

b. Nuclear Career Accession Bonus. The Nuclear Career Accession Bonus is payable upon successful completion, as a commissioned officer, of training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

B. Eligibility Requirements.

1. Nuclear Officer Accession Bonus. The following requirements must be met to qualify for the Nuclear Officer Accession Bonus:

a. If individuals already are commissioned officers, they must not be restricted in performance of duty; that is, they must be officers of the unrestricted line.

b. The individual must be selected and execute a written agreement to participate in officer naval nuclear power training.

c. The Secretary of the Navy must accept the individual into the training program.

2. Nuclear Career Accession Bonus. An officer must meet the following requirements to qualify for the Nuclear Career Accession Bonus:

a. Fulfill the above requirements for the Nuclear Officer Accession Bonus.

b. Be on active duty and entitled to basic pay.

c. Successfully complete the nuclear propulsion training program.

C. Payment.

1. Upon acceptance of a request for admission into the program, the Chief of Naval Personnel will provide the individual with an official written notification of acceptance. The date of acceptance will fix the value of both the Nuclear Officer Accession Bonus and the Nuclear Career Accession Bonus.

a. Effective August 12, 1996, Navy set the Nuclear Officer Accession Bonus at \$6,000 and the Nuclear Career Accession Bonus at \$2,000.

b. Effective October 1, 1998, Navy set the Nuclear Officer Accession Bonus at \$8,000. The Nuclear Career Accession Bonus remained unchanged at \$2,000.

c. Effective October 1, 2000, the Department of the Navy set the Nuclear Officer Accession Bonus at \$10,000. The Nuclear Career Accession Bonus remained unchanged at \$2,000.

2. Nuclear Officer Accession Bonus. A properly executed acceptance document will establish authority to make payment of the Nuclear Officer Accession Bonus.

3. Nuclear Career Accession Bonus. The Commanding Officer, Nuclear Power Training Unit (NPTU), shall certify the eligibility of each officer upon successful completion of the training program which will establish authority to make payment of the Nuclear Career Accession Bonus.

D. Recoupment.

1. An individual who has received a Nuclear Officer Accession Bonus and fails to commence or satisfactorily complete the nuclear power training specified in

the agreement with the Secretary of the Navy, will, except for the reasons listed in SECNAVINST 7220.65 series (reference (ac)), be required to refund the entire bonus.

2. Reduce the amount to be recouped by an amount equal to any reduction taken under subparagraphs 350702.F or 350802.D of this volume.

030102. Nuclear Qualified Officer Extending Period of Active Service (Continuation Pay).

A. Entitlement.

1. Effective October 1, 1999, nuclear qualified officers with applications for extension on active duty accepted, on or before December 31, 2003, may be entitled to a bonus not to exceed a total of \$25,000 for each year of the active service agreement.

2. The Secretary of the Navy is assigned, under law, responsibility for issuing regulations which prescribe specific eligibility requirements and, annually, the value of the bonus payments, not to exceed the limit cited above. The amounts payable to an individual under this entitlement become fixed upon acceptance, by the Secretary of the Navy, of the individual's written agreement to extend on active duty. Acceptance may not be made more than 1 year in advance of the end of an officer's initial existing period of obligated active service. The regulation governing this program, including effective bonus rates, is SECNAVINST 7220.65 series (reference (ac)).

B. Eligibility Requirements.

1. The following requirements must be met to qualify for continuation pay. The individual must:

a. Be an officer on active duty, receiving basic pay and not restricted in the performance of duty (i.e., unrestricted line officer).

b. Currently be qualified for duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants.

c. Have not completed 23 years of commissioned service at the time of application.

d. Be serving in pay grade 0-6 or below (not frocked to 0-7) and, at the time of application, not be selected for promotion to pay grade 0-7.

e. Have executed a written agreement to remain on active duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants for a period of 3, 4, or 5 years.

f. Have the agreement accepted by the Chief of Naval Personnel on behalf of the Secretary of the Navy.

2. A qualified officer may execute successive continuation agreements so long as any new period of obligated active service does not extend beyond the end of 26 years of commissioned service.

C. Payment.

1. Upon acceptance of a request for extension, the Chief of Naval Personnel will provide the individual with official written notification of acceptance. The date of acceptance will fix the value of the annual payments for the entire period of the extension.

a. Effective August 12, 1996, the Navy set the Nuclear Officer Continuation bonus at \$12,000 per contract year.

b. Effective October 1, 1998, the Navy set the Nuclear Officer Continuation Bonus at \$15,000 per contract year.

c. Effective October 1, 2000, the Department of the Navy set the Nuclear Officer Continuation Bonus at \$19,000 per contract year.

d. Effective October 1, 2002, the Department of the Navy set the Nuclear Officer Continuation Bonus at \$22,000 per contract year.

2. When an officer's agreement is accepted before the end of an existing service obligation, continuation pay may be paid in a number of:

a. Installments equal to the number of years covered by the contract plus 1; the first upon acceptance of the application, the second upon expiration of existing obligated service, and the remaining payments annually (12-month intervals) thereafter. (Note: this provision only applies to the first contract for continuation pay.)

b. Annual installments equal to the number of years covered by the contract; the first upon expiration of existing obligated service and the remaining payments annually thereafter.

3. When an officer's agreement is accepted after an existing service requirement expires, continuation pay is paid in equal annual installments over the length of the contract, commencing upon acceptance of the application and the remaining payments annually thereafter.

4. Should the amount be increased that is paid to officers, who subsequently apply for continuation pay, officers with a contract in effect at a lower rate may execute a new agreement at the higher rate. The period of this new agreement shall be equal to or exceed the original period of the officer's existing agreement, but may in no case extend the



obligation beyond 26 years of commissioned service. Upon execution of a new contract, the previous contract shall be canceled effective on the day before the anniversary date after the date on which continuation pay is increased.

5. If a member dies before receiving the full amount of the bonus due (including contracted future year anniversary payments) and death is not caused by the member's misconduct, the remaining unpaid bonus balance is payable as a lump sum for inclusion in the settlement of the deceased member's final military pay account. If death is determined to be the result of the member's own misconduct, termination of future payments and proration or recoupment of the bonus, as applicable, will be made in accordance with procedures established for members whose inability to complete a contracted period of service is voluntary or the result of misconduct.

D. Recoupment.

1. An officer who fails to maintain eligibility requirements for or who does not complete the full period of 3, 4, or 5 years of active duty as agreed, may not be paid any unpaid installments of continuation pay. Except under certain conditions prescribed in SECNAV Instruction 7220.65 series (reference (ac)), an officer must repay the unearned portion of any installments already paid. To arrive at an amount to be recouped, reduce the total continuation pay to an amount per month and multiply the monthly amount by the number of months, and fractions of months, for which payment was made that the officer has not served.

2. Reduce the amount to be recouped by an amount equal to any reduction taken under subparagraphs 350702.F or 350802.D of this volume.

030103. Nuclear Career Annual Incentive Bonus.

A. Entitlement.

1. Effective October 1, 1999, nuclear qualified unrestricted line officers serving on active duty on the last day of a fiscal year, prior to December 31, 2003, may be entitled to an annual bonus not to exceed \$22,000. Effective October 1, 1999, nuclear qualified limited duty and warrant officers serving on active duty on the last day of a fiscal year, prior to December 31, 2003, may be entitled to an annual bonus not to exceed \$10,000. Officers otherwise eligible, but not on active duty on the last day of a nuclear service year (fiscal year) or who are not eligible for a portion of the year, may be paid a bonus on a pro rata basis.

2. The Secretary of the Navy is assigned, under law, responsibility for issuing regulations which prescribe specific eligibility requirements and, the value of the annual bonus payments, not to exceed the limits cited above. The regulation governing this program, including effective bonus rates, is SECNAVINST 7220.65 series (reference (ac)).

B. Eligibility Requirements.

1. The following general requirements must be met to qualify for the Nuclear Career Annual Incentive Bonus. The individual must:

- a. Be an officer on active duty, receiving basic pay.
- b. Have current technical qualifications for duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants.
- c. Be serving in pay grade W-2 through W- 4 or 0-1 through 0-6.
- d. Not be serving in a period of obligated service incurred as a result of the acceptance of Nuclear Officer Continuation Bonus (this does not preclude pro rata payments).
- e. Not be also entitled to receive aviation career incentive pay, except in the case of officers serving billets that require the officer to be:
  - (1). Technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.
  - (2). Qualified for the performance of operational flying duties.

2. Additional requirements for eligibility are as follows:

- a. Unrestricted line officers must also have completed their period of initial obligated active service incurred from initial source training as extended for nuclear power training.
- b. Chief warrant officers and limited duty officers must be serving in an assignment with duties involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants.

C. Payment.

1. The Nuclear Career Annual Incentive Bonus shall be paid annually on September 30 to all eligible officers on active duty.

- a. Effective October 1, 1996, the Department of the Navy set the Nuclear Career Annual Incentive Bonus at \$10,000 for unrestricted line officers and \$4,500 for chief warrant and limited duty officers.

b. Effective October 1, 2000, the Department of the Navy set the Nuclear Career Annual Incentive Bonus at \$12,500 for unrestricted line officers and \$6,000 for chief warrant and limited duty officers.

2. An officer eligible on September 30 or last working day of the fiscal year, but who had a period or periods of ineligibility during the fiscal year, shall be paid a pro rata share of the bonus for all periods of eligibility during the year.

3. An officer separated from the naval service or who has lost technical qualification for duty involving the supervision, operation, and maintenance of naval nuclear propulsion plants prior to September 30, shall be paid a pro rata share of the bonus for all periods of eligibility during the year provided the separation or loss of technical qualification was not the result of:

a. Voluntary separation or voluntary loss of technical qualification.

b. Voluntary request for relief.

c. Refusal to accept orders to assignment in connection with supervision, operation, and maintenance of naval nuclear propulsion plants.

d. Disability resulting from or during misconduct, willful neglect, or unauthorized absence.

e. Misconduct.

f. Detachment for Cause.

4. An officer promoted to pay grade 0-7, or selected for and assuming the rank of 0-7 (frocked) prior to September 30 shall be paid a pro rata share of the bonus for all periods of eligibility during the year.

**0302 SPECIAL PAY FOR OFFICERS SERVING IN POSITIONS OF UNUSUAL RESPONSIBILITY AND OF A CRITICAL NATURE**

030201. Entitlement. The Secretary concerned may designate positions of unusual responsibility that are of a critical nature to an armed force under his jurisdiction and authorize special pay to officers performing the duties of such a position. Officers serving in a designated position and entitled to the basic pay of grades O-6 and below are entitled to this special pay. This special pay will be referred to as responsibility pay.

030202. Rates Payable. The monthly rates of responsibility pay are:

<u>Pay Grade</u>	<u>Amount</u>
O-6	\$150
O-5	100
O-4 and below	50

030203. Authorized Payees. Subject to other entitlement conditions and restrictions, officers are entitled to responsibility pay while serving as a commanding officer or commander of a unit listed in directives issued under the authority of the Secretary concerned. Responsibility pay will continue to accrue while on TAD, leave, or similar temporary absences from duty where there is no permanent relief. Responsibility pay accrues from the date the assignment begins through the date the assignment ends.

030204. Restrictions. Responsibility pay is not authorized for:

- A. Officers temporarily in command.
- B. Officers assigned in designated "Officer in Charge" billets unless specifically designated in directives issued under the authority of the Secretary concerned.
- C. More than one officer per designated billet, except for the dates of assumption of and relief from command.

### 0303 ENGINEERING AND SCIENTIFIC CAREER CONTINUATION PAY (ESCCP)

030301. Conditions of Entitlement. Officers entitled to basic pay may be paid this ESCCP if they:

- A. Are not receiving any other accession or career continuation bonus; and
- B. Are below grade O-7; and
- C. Hold a degree in engineering or science from an accredited college or university; and
- D. Have been certified by the Secretary of the Military Department as technically qualified for detail to engineering or scientific duty; and
- E. Have completed at least 3, but less than 14 years' active engineering or scientific duty as a commissioned officer. (After completion of 3 years' active service, an ESCCP period of obligated service will run concurrently with any other obligated service.); and

F. Are serving in or selected for assignment to a critical engineering or scientific military specialty requiring an engineering or scientific degree and are in one of the Armed Forces that has a critical shortage. (Officers attending courses of professional military education or advanced training or education related to their specialty are considered to be serving in engineering or scientific-type duty.); and

G. Execute a written agreement to remain on active duty for assignment to engineering or scientific duty for at least 1 year, but not more than 4 years.

030302. Entitlement Amounts.

A. The Secretary of the Military Department concerned may pay ESCCP in either lump sum or yearly installments.

B. The highest amount payable is \$3,000 for each year of obligated service for which the officer has agreed to remain on active duty according to paragraph 030401.G, above.

030303. Termination and Recoupment.

A. Except for officers not qualified because of death, injury, illness, or other impairment incurred in the line of duty and not the result of their own misconduct, entitlement to the full amount of the ESCCP is contingent on maintaining the technical qualifications required for performance of engineering or scientific duty.

B. Except for termination of active duty because of disability incurred in the line of duty, or for termination of military service by operation of laws, or by operation of Military Service or DoD policies, officers who do not remain on active duty for the entire period for which paid shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made.

C. The Secretary of the Military Department may waive, in whole or in part, the refund if it would be against equity or good conscience or would not be in the best interests of the United States.

D. A discharge in bankruptcy under Title 11, U.S.C. (reference (aj)), does not relieve an officer from the refund provisions.

E. An officer may not repay voluntarily an amount equal to the percentage of the unserved time on the agreement solely to reduce the period of obligated service required by the agreement.

## Chapter 3—Special Pay Officers Only

## 0301—Special Pay for Nuclear Qualified Officers

## 030101—Nuclear Power Accession Bonus Program

030101.A-D	37 U.S.C. 312b Public Law 107-314, section 613, December 2, 2002
030101.A	Public Law 105-261, section 613, October 17, 1998 37 U.S.C. 312b (c) Public Law 106-398, section 623, October 30, 2000 Public Law 106-65, section 613(f), October 5, 1999 NAVADMIN message 239/00

030102—Nuclear-Qualified Officer Extending Period of Active Service  
(Continuation Pay)

030102.A.-D	37 U.S.C. 312 ASD(FMP) Memo, June 29, 1999
030102.A	Public Law 107-314, section 613, December 2, 2002 37 U.S.C. 312 (e) Public Law 106-398, section 623, October 30, 2000 Public Law 106-65, section 613(e), October 5, 1999 NAVADMIN message 239/00

## 030103— Nuclear Career Annual Incentive Bonus

030103.A	Public Law 107-314, section 613, December 2, 2002 37 U.S.C. 312c (d) Public Law 106-398, section 623, October 30, 2000 Public Law 106-65, section 613(g), October 5, 1999 NAVADMIN message 239/00
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0302—Special Pay for Officers Serving In Positions of Unusual Responsibility  
and of a Critical Nature

030201—Entitlement

37 U.S.C. 306  
Public Law 102-587, section 5205,  
November 4, 1992  
ASD(FMP) Comp Memo,  
August 26, 2002

0303—Engineering and Scientific Career Continuation Pay

030301—Conditions of Entitlement      37 U.S.C. 315